

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------------|---|-----------------|
| THE APPLICATION OF BEAVER-ELKHORN |) | |
| WATER DISTRICT FOR (1) CERTIFICATE |) | |
| OF PUBLIC CONVENIENCE AND NECESSITY |) | |
| - CONSTRUCTION - TO UPGRADE WATER |) | |
| TREATMENT PLANT/WATER LINE EXTENSIONS |) | |
| PURSUANT TO KRS 278.020(1); (2) |) | CASE NO. 92-129 |
| AUTHORIZATION OF BORROWING FROM THE |) | |
| COMMONWEALTH OF KENTUCKY, KENTUCKY |) | |
| INFRASTRUCTURE AUTHORITY WATER |) | |
| RESOURCES LOAN FUND PURSUANT TO KRS |) | |
| 278.300; (3) AUTHORITY TO INCREASE |) | |
| RATES PURSUANT TO 807 KAR 5:001, |) | |
| SECTION 10 |) | |

O R D E R

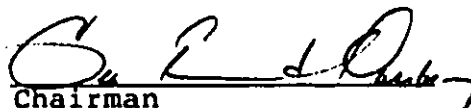
On October 1, 1992, the Commission issued an Order in this proceeding containing Staff's report regarding the rate adjustments for Beaver-Elkhorn Water District ("Beaver-Elkhorn"). Beaver-Elkhorn submitted its response to Staff's report on August 12, 1992. In its response Beaver-Elkhorn has referred to a refinancing arrangement which enabled Beaver-Elkhorn to prepay existing bonded indebtedness and accrued interest thereby resulting in a savings to the District of over \$328,000. Attached to Beaver-Elkhorn's response were minutes of a special meeting held May 27, 1992, which references a borrowing by Beaver-Elkhorn of \$285,000 from First Guaranty National Bank. Also attached to the Order as Exhibit "A" is Beaver Elkhorn's refunding revenue note.

Based upon Beaver-Elkhorn's response to the Commission's Staff report, Beaver-Elkhorn should be required to supplement the record with respect to the refinancing transaction.

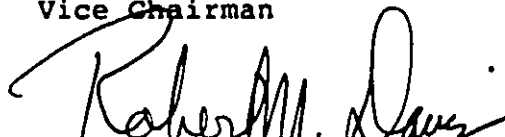
IT IS THEREFORE ORDERED that Beaver-Elkhorn shall file, within ten days of the date of this Order, executed copies of all loan documents pertaining to the loan agreement between Beaver-Elkhorn and First Guaranty National Bank along with a narrative statement explaining the terms of this refinancing in detail.

Done at Frankfort, Kentucky, this 23rd day of October, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director